

# Calculation Worksheet

Follow the **EXAMPLE** below to determine how to calculate cost of a fire sprinkler system for your home:

## 2500 Sq. Ft. Home:

Property Tax ..... \$2,700.00  
 County Tax for Dwelling ..... \$1,600.00

## Installation Cost:

\$1.25 to \$1.75 per square foot

## Fire Sprinkler Installation:

County Dwelling Tax ..... \$1,600.00  
 Tax Credit ..... x 50%  


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 TOTAL ..... \$ 800.00

## Property Tax Credit:

Installation Cost  
 2500 sq. ft. x \$1.50 ..... \$3,750.00  
 Less 50% Tax Credit ..... 800.00  
 Less 10% savings on  
 homeowner insurance\* ..... 400.00  


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**Total Cost of Installation** ..... \$2,550.00

\*\$400.00 over a ten year period  
 \$255.00/year if cost is spread over ten years.

Insurance discount varies from different insurance companies. Make sure to check with your agent.

# Calculate Your Own Potential Tax Credit:

County Property Tax  
 on Your Dwelling ..... \$ \_\_\_\_\_

Total Square Feet of Home ..... \_\_\_\_\_

Installation Cost per Sq. Ft.  
 x Total Sq. Ft. of Home ..... \$ \_\_\_\_\_

Installation Cost ..... \$ \_\_\_\_\_

Less 50% Tax Credit ..... \$ \_\_\_\_\_

Less 10% savings on  
 homeowner insurance\* ..... \$ \_\_\_\_\_  


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**Total Cost To You** ..... \$ \_\_\_\_\_



## Montgomery County Fire Rescue Service

101 Monroe Street, 12th Floor  
 Rockville, Maryland 20850  
 240-777-2400

[www.mcfrs.org](http://www.mcfrs.org)



## Montgomery County FIRE RESCUE SERVICE

**SHOWS YOU HOW  
 TO REDUCE YOUR  
 PROPERTY TAX BY**

**50%**

**Montgomery County  
 Council Adopts Bill 3-00,  
 One-Time Property Tax  
 Credit for Fire Sprinkler  
 Systems.**

Effective September 18, 2000 residents of Montgomery County are eligible for a one-time tax credit of up to 50% of their county property tax on dwellings. This tax credit is for the installation of a fire sprinkler system on any detached single-family or attached dwelling units or units in multi-family buildings.

## *How do you get the property tax credit for fire sprinklers?*

1. Apply for the tax credit in the year in which the sprinkler system is installed. Please contact the Treasury Division at 240-777-8931 for an application form.
2. Show that the sprinkler system complies with established codes and standards.
3. Provide documentation of the actual cost of installation in the dwelling unit for which the tax credit is to be applied.

## *Who is eligible for the tax credit?*

If the dwelling unit is not otherwise required to have a fire protection sprinkler system, then the owner who has installed the sprinkler system is eligible for the property tax credit.

## *How much is the property tax credit?*

The credit is 50% of the annual tax bill for improvements (i.e., the total tax bill less property and other special taxes) or the total cost of the installed sprinkler system, whichever is less.

## *Who can I call to get more information?*

The Treasury Division at 240-777-8931.

## **The Facts:** Automatic Fire Sprinklers

- Residential fire sprinkler systems are a proven effective means of providing the highest level of life safety from fire. Automatic fire sprinklers have been in use in the U.S. since 1874.

- Fire sprinklers are widely recognized as the single most effective method for fighting the spread of fires in their early stages - before they can cause severe injury to people and damage to property.
- The chances of a fire sprinkler discharging accidentally are extremely remote.
- Installation of fire sprinklers can provide discounts on insurance premiums.
- Over 200 U.S. communities have residential sprinkler laws. Roughly 100 of these communities are in California. In downtown Fresno for example, there has been fire damage of only \$42,000 during a 10-year period in which its fire sprinkler law has been in effect.
- According to the National Fire Protection Association, property damage in hotel fires was 78% less in structures with sprinklers than it was in structures without sprinklers. (Average loss per fire was \$2,300 in sprinklered buildings and \$10,300 in unsprinklered buildings.)

## **Myths and Facts:** Automatic Fire Sprinklers

Automatic sprinkler systems have enjoyed an enviable record of protecting life and property for over 100 years. Yet, there are still common misunderstandings about the operation and effectiveness of automatic fire sprinkler systems:

***Myth 1: "Water damage from a sprinkler system will be more extensive than fire damage."***

**Fact:** Water damage from a home sprinkler system will be much less severe than the damage caused by water from fire-fighting hose lines, smoke, or fire if the fire goes unabated. Quick response sprinklers release 8-24 gallons of water per minute compared to 100-250 gallons per minute released by a firehose.

***Myth 2: "When a fire occurs, every sprinkler head goes off."***

**Fact:** Sprinkler heads are individually activated by fire. Residential fires are usually controlled with one sprinkler head. 90% of all fires are controlled with six or fewer heads. A study conducted in Australia and New Zealand, covering 82 years of automatic sprinkler use, found that 82% of the fires which occurred were controlled by two or fewer sprinklers.

***Myth 3: "A smoke detector provides enough protection."***

**Fact:** Smoke detectors merely provide a warning system to alert people to take action while sprinklers perform an action. They do not extinguish a fire or protect those physically unable to escape on their own, such as the elderly or small children. Too often, battery operated smoke detectors fail to function because the batteries are dead or have been removed. As the percent of homes in America that were "protected" with smoke detectors increased from zero to more than 70%, the number of fire deaths in homes did not significantly decrease.

***Myth 4: "Sprinklers are designed to protect property, but are not effective for life safety."***

**Fact:** Sprinklers provide a high level of life safety. Statistics demonstrate that there has never been any multiple loss of life in a fully sprinklered building.

Property losses are 85% less in residences with fire sprinklers compared to those without sprinklers. The combination of automatic sprinklers and early warning systems in all buildings and residences could reduce overall injuries, loss of life and property damage by at least 50%.

## **Sources:**

- National Fire Protection Association
- Automatic Fire Sprinkler Association